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NEWS RELEASE

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PSC APPROVES MASON COUNTY POWER PLANT

New unit planned for East Kentucky Power Cooperative's Spurlock facility

FRANKFORT, Ky. (Sept. 13, 2005) – The Kentucky Public Service Commission (PSC) today granted East Kentucky Power Cooperative, Inc. (EKPC) permission to construct a 278-megawatt, coal-fired unit at its H.L. Spurlock Power Station near Maysville.

EKPC requires the additional generating capacity to meet the demand that will be created when it begins supplying power in 2008 to the Warren Rural Electric Cooperative Corp. (RECC). Warren RECC currently buys its electricity from the Tennessee Valley Authority, but will end that relationship in 2008.

The new unit will be the fourth at Spurlock. It will use a technology known as circulating fluidized bed (CFB), which burns coal more cleanly than conventional boilers without the need for extensive pollution-control equipment. EKPC earlier this year began operating a nearly identical 268-megawatt CFB unit at Spurlock.

In its review of EKPC's application, the PSC concluded that construction of the new plant would be the most cost-effective way for the utility to meet its future need for base load generation.

EKPC is owned by the 16 distribution cooperatives to which it provides wholesale electric generation and transmission service. Those distribution cooperatives serve about 500,000 customers in 89 Kentucky counties.

Today's order and other documents in the case are available on the PSC Web site, psc.ky.gov. The case number is 2004-00423.

The PSC is an agency within the Environmental and Public Protection Cabinet. It regulates more than 1,500 gas, water, sewer, electric and telecommunication utilities operating in the Commonwealth of Kentucky and has approximately 110 employees.

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